Aide-Mémoire

Health New Zealand
Te Whatu Ora

Health Targets – December to January Target Performance

Due to MO:	17 July 2025	**Reference**	HNZ00092447
To:	Hon Simeon Brown, Minister of Health		
From:	Jason Power, Acting National Director of Planning, Funding and Outcomes		
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Contact for further discussion (if required)			
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Purpose

1. To provide you with information on the drivers for the deterioration in Health Target performance and waitlist size noted through December 2024 and January 2025, and options for mitigating future deterioration through subsequent summer periods.

Summary

2. Health Target performance deteriorated for first specialist appointments (FSA), elective treatment, and faster cancer treatment (FCT) through January and February 2025. This deterioration was due to several factors, including an annual seasonal reduction in activity related to the summer break (fewer outpatient clinics, elective surgeries between mid-December and mid-January). This annual seasonal reduction in activity has been an active decision in previous years.

3. There are several actions that can be undertaken to more actively manage the upcoming summer period of 2025/26, and a programme of work is a priority for the Chief Executive and the Executive Leadership team. The emerging work programme includes:

   a. Improved planning for outsourcing, such that regions deliver at least 50 percent of annual volumes prior to the summer break.

   b. Improved production planning to ensure patients who are likely to 'tip in' to the greater than four-month cohort over the summer break are seen prior to this period.

   c. Reducing the 'down time' of FSA clinics and theatre use through the week leading up to Christmas and ramping up normal levels of activity from the first week of January.

   d. Maintaining urgent surgical delivery (e.g., cancer surgery) throughout the summer break.

   e. Proactive focus on reducing the long-waiting 'tail' of the waitlist in the months leading up to the summer break, including shifting the focus to patients waiting longer than 90 days to ensure that they do not become long-waiters in the first place.

4. Broadly, these principles should apply when districts are proactively planning for any period of reduced activity, such as the Easter break or school holidays.

5. As we plan for the upcoming summer period we are also starting to explore alternative modelling approaches and the adoption of different tools that smooth and optimise workforce and facility utilisation throughout the year.

Discussion

Target performance in December to January 2024/25

5. A seasonal reduction in delivery and deterioration in waitlist positions can be seen annually. Overall, 2024/25 was comparative to previous years, except for FSA treatments which were lower than the last three years.

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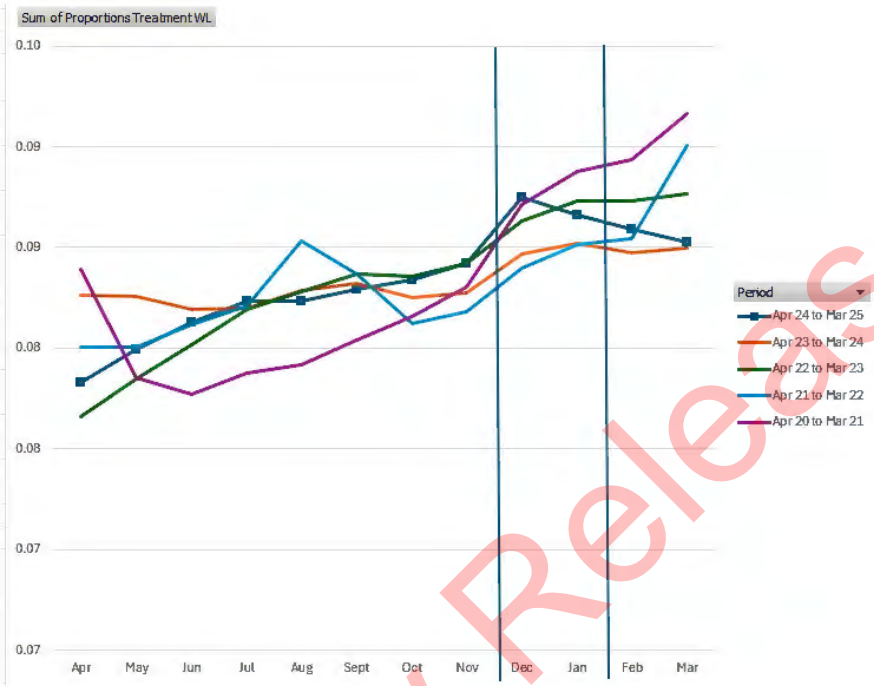
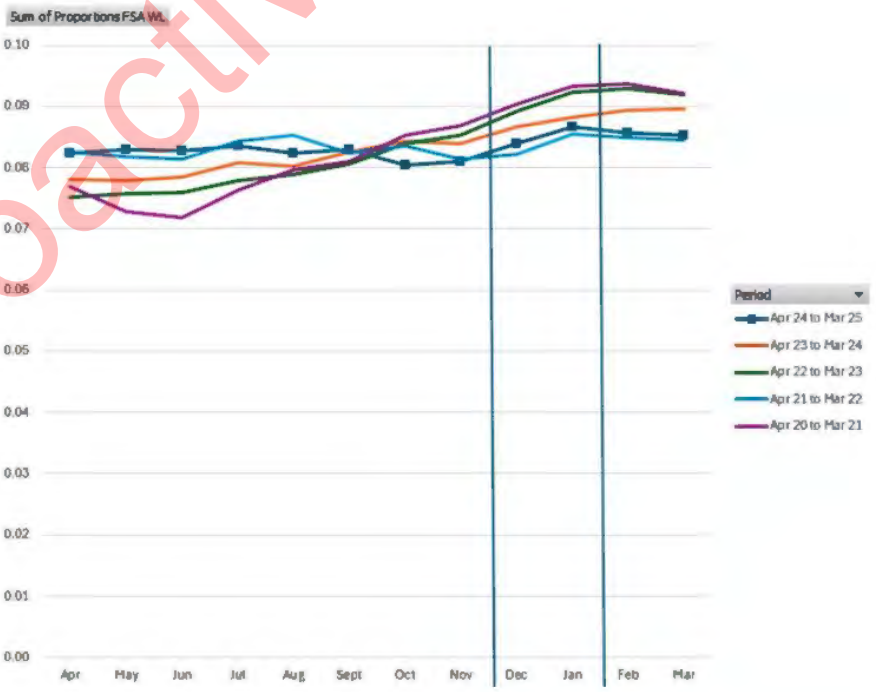
6. Elective events in December to January 2024/25 were slightly higher than previous years. However these higher treatments were not enough to offset the growth in the total waitlist or long-waiting cohort.

Figure 1: Treatment annual waitlist movement trends – December to January impact over last 5 years



7. FSA activity was below the previous three years but remained higher than 2021/22. This lower activity contributed to further growing of FSA waitlists over the summer period 2024/25, which was then reduced in the first half of 2025.

Figure 2: FSA annual waitlist movement trends – December to January impact over last 5 years



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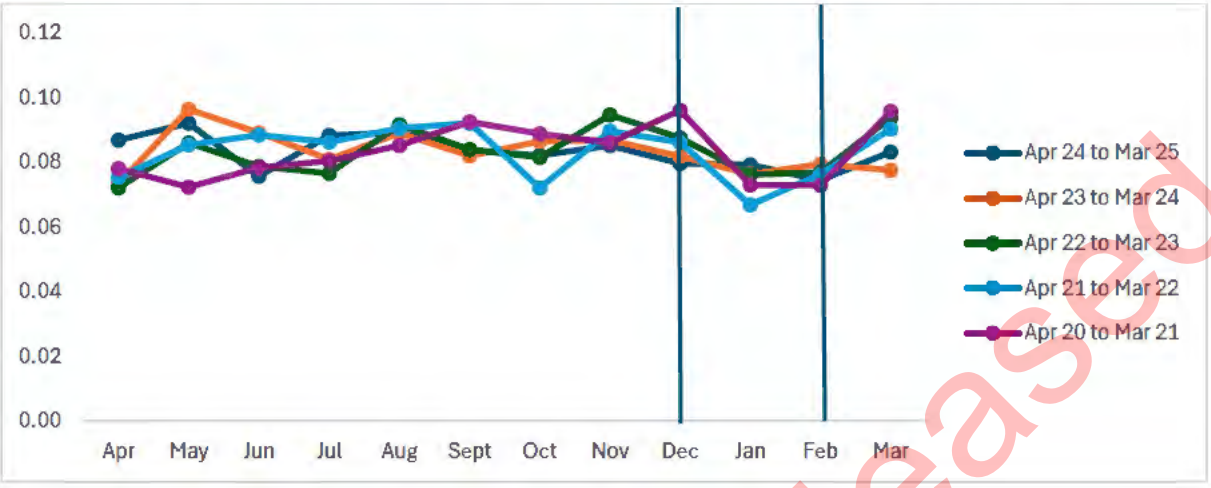
8. Cancer treatment delivery also fell over December to January period for 2024/25, though to a lesser degree compared to recent years.

Figure 3: Cancer treatment movement trends – December to January impact over last 5 years



Reasons for lower target performance in the summer period of 2024/25

9. There are multiple reasons for reduced activity over the summer period, but essentially these come down to active decisions to manage annual leave and the cumulative effects of lower than desired treatment levels earlier in 2024.

5. Annual leave management means that clinical and administrative support staff supporting FSA clinics and planned care take breaks over the Christmas/New Year period. However, the effect of the higher annual leave can extend throughout the months of December and January.

10. Elective treatment turn rates were deteriorating prior to the summer break and contributed to the growth in the waitlist and deterioration in target performance in subsequent months. Outsourcing was particularly impacted by uncertainty in regional financial positions, which resulted in fewer patients being sent for surgery to private providers in the three months prior to the Christmas break.

11. Operational factors relating to demand management also impacted the position. While delivery of FSAs and treatment reduced, referral demand continued and was evident in terms of waitlist growth in early January 2025 as administrative staff returned to work, referrals were processed and a larger bolus of patients were added to the waitlist.

Levers to reduce seasonal impact in 2025/26

12. Seasonal reductions in FSA and elective treatment delivery are to be expected. However, they are predictable and can be actively managed to a degree.

13. In addition, contributing factors to 2024/25 performance, such as uncertainty around regional budget allocations and activity schedules that impacted outsourcing, have been resolved for FY25/26 and will allow Health NZ to better deploy levers to reduce this impact, including:

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a. Annual activity schedules, delivery and production plans have been agreed earlier for 2025/26 compared with previous years and are aligned to the volumes required to meet health target milestones (HNZ00084170 refers).

b. Regions are to 'front-load' outsourcing this year such that greater than 50% of annual elective volumes are delivered prior to 19 December 2025.

c. Regions will focus on production planning in continuing to reduce the long-waiting cohort and take a forward view of patients waiting 90 days for FSA and treatment who will tip in to the long-waiting cohort through December and January.

d. Elective theatres will run at normal levels right through to the week of Christmas 2025 and will ramp up to normal production from the first week of January 2026. Cancer surgery will continue throughout the Christmas/New Year period.

e. Turn rates for FSA and elective treatment will be maintained at >1, and the turn rates for the long-waiting cohorts will exceed this through December 25 and ramp back up to normal levels again from the first week of January 2026.

f. Regions will smooth annual leave over the period to ensure that theatres and clinics are back up to normal capacity from the first week of January 2026.

g. Regions will proactively manage new cancer referrals and prioritise the commencement of treatment prior to 19 December 2025 to ensure patients do not breach the 31-day target over the break.

h. Regions will ensure that there is adequate administrative cover to maintain cancer data and submissions to national collections through December and January. This includes proactive work to ensure that capability is developed across teams to ensure that the single point of failure risk associated with a single administrative staff member managing all cancer data submissions is mitigated.

14. Developing and executing a work programme for managing the upcoming summer period, as well as more generally smoothing of staff leave and utilisation of resources is a priority for the Chief Executive and the Executive Leadership team this quarter.

15. As we plan for the upcoming summer period we are also starting to explore alternative modelling approaches and the adoption of different tools that smooth and optimise workforce and facility utilisation throughout the year.

Next steps

16. Regions will start preparing for the summer break and implement the levers described above in the coming months. We will report to you regularly on progress and performance.

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